



Dear Friends:

The short session of the legislature will begin soon, and we will be discussing a number of important issues, including the budget deficit we are facing and tax restructuring (to stem the rise in property taxes from the court mandated reassessment).

The events of September 11 have greatly impacted our state's fiscal situation. We were already experiencing an economic downturn (which is normal after a long economic boom) when the disaster struck. Due to this, we have a budget deficit looming ahead of us, and this must be addressed soon. There will be much discussion and debate about this situation during this coming General Assembly.

Court mandated reassessment is another issue that will be discussed and debated at length. In reshaping the property tax as mandated by the court, a huge shift from business to individuals will happen. We will work to ensure that there is true property tax relief.

Many other issues will be brought to the General Assembly, and I will carefully study each one in order to protect our South Bend/St. Joseph County area and our great state.

Sincerely,

Pat

“Where did the surplus go?”

“Where did the surplus go?”  
I am frequently asked that by people in the 6th House District. It’s a fair question, because it wasn’t so long ago that the state of Indiana’s treasury was flush and the question for lawmakers was not so much whether we were going to cut taxes, but which taxes we would cut.

Most of the surplus went back to you, in the form of tax cuts enacted by the legislature during the past few legislative sessions. I have outlined those various tax cuts in the space to the right.

Take a moment to look at the list. Those tax cuts provide benefits for just about every group of Hoosiers, young and elderly.

As a legislator, I frequently hear from people who worry that we didn’t provide enough funding for roads, education, home health care and prisons, among the countless other programs. Now we have new concerns: emergency management and homeland security. Before September 11, I doubt that many of us paid much attention to those issues, but they will demand our consideration in the years ahead.

Within the framework in which we operate, I believe the Legislature has done a good job of balancing the

Since 1996, legislators have worked to cut more than \$1.5 billion in taxes

•Increasing the Homestead Credit	\$381,000,000
•Personal Property/Inventory Tax Cut	\$323,000,000
•Welfare off of local Property Tax Rolls	\$ 68,000,000
•Property Tax Deduction	\$ 111,000,000
•Dependent Child Exemption	\$232,000,000
•Low Income Tax Credit	\$ 63,000,000
•Inheritance Tax Cut	\$ 66,000,000
•Renter’s Reduction	\$ 22,000,000
•Repeal of State Add-back Requirement	\$174,000,000
•Income Tax Cut for Seniors	\$ 18,000,000
•Unemployment Tax Cut	\$ 81,100,000

Additional Funding Returned to Hoosiers

•Reduction in unfunded liability in the retired teacher pension program	\$300,000,000
•Additional funding for local roads and streets, divided among counties, cities, towns	\$300,000,000
•Cost of living adjustment in the teacher’s retirement fund	\$172,200,000

need to fund critical state programs and return a portion of any surplus to the Indiana taxpayers who helped to create it. I am comfortable with the decisions that returned much of the surplus back to you, and I will do everything in my power to continue to make the kinds of decisions that ensure our state government runs efficiently.

Representative  
Pat Bauer  
200 West Washington Street  
Indianapolis, IN 46204-2786



CONTACT  
Representative  
Pat Bauer

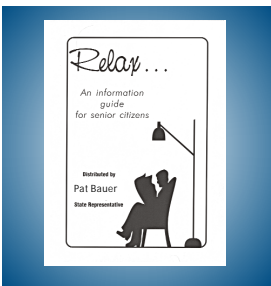
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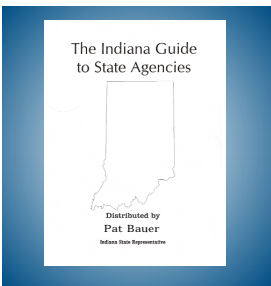
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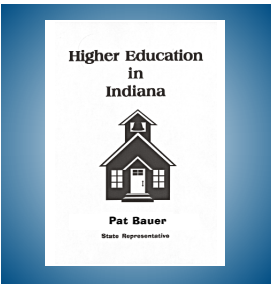
The following publications may be requested free of charge from my Statehouse office by calling toll-free 1-800-382-9842.



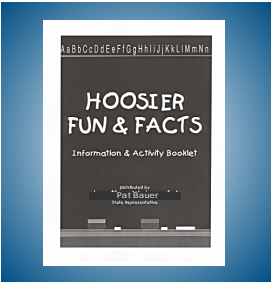
**Relax . . .**  
Written for senior citizens, this informational booklet discusses a variety of issues, from taxes to health problems to leisure activities.



**Guide to State Agencies**  
This booklet details various agencies within Indiana state government, listing phone numbers, functions and areas of responsibility for each.



**Higher Education**  
A 24-page publication for those interested in pursuing a higher education degree, detailing many Indiana colleges and universities as well as occupational and vocational schools.



**Hoosier Fun and Facts**  
Designed for elementary school-aged children, this information and activity booklet teaches students about their state through a combination of text, puzzles and other educational activities.